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November 13, 2026

Non-consolidated Financial Results for the Nine Months Ended September 30, 2026 [Japanese GAAP]

Company name: TMS Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4891
URL: https://www.tms-japan.co.jp/
Representative: Takuro Wakabayashi, Chief Executive Officer
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: None
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the nine months ended September 30, 2026 (from January 1, 2026 to September 30, 2026)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	–	–	(590)	–	(590)	–	(601)	–
November 30, 2025	–	–	–	–	–	–	–	–

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	(13.05)	–
November 30, 2025	–	–

Notes: 1. The Company has changed its fiscal year-end from the last day of February to December 31, effective from the previous fiscal year. Quarterly financial statements were not prepared for the cumulative third-quarter period of fiscal 2025, which fell within the transitional period following the change in fiscal year-end. Therefore, operating results (cumulative) for the nine months ended November 30, 2025 and year-on-year changes for the nine months ended September 30, 2026 are not shown.

2. Diluted earnings per share is not stated because, although potential shares existed, a basic loss per share was recorded.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	2,593	2,491	94.2
December 31, 2025	2,865	2,771	95.5

Reference: Equity
As of September 30, 2026 ¥2,442 million
As of December 31, 2025 ¥2,735 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	0.00	–	0.00	0.00
Fiscal year ending December 31, 2026	–	0.00	–		
Fiscal year ending December 31, 2026 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of non-consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

The forecast of non-consolidated financial results for the fiscal year ending December 31, 2026 has not been presented as it is difficult to reasonably calculate the forecast for financial results. For details concerning the reasons, business policy, estimated costs, etc. for the fiscal year ending December 31, 2026, please refer to "(3) Explanation of Earnings Forecasts and Other Forward-Looking Statements" under "1. Qualitative Information Regarding Financial Results for the Nine Months Ended September 30, 2026" on page 4 of the attached material.

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly financial statements: Yes

Note: For details, please refer to "Adoption of Accounting Treatment Specific to the Preparation of Quarterly Financial Statements" under "(3) Notes to Quarterly Financial Statements" of "2. Quarterly Financial Statements and Significant Notes Thereto" on page 7 of the attached material.

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	48,458,467 shares
As of December 31, 2025	45,485,767 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	10 shares
As of December 31, 2025	10 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2026	46,063,861 shares
Nine months ended November 30, 2025	– shares

* Review of the Japanese-language originals of the attached quarterly financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements and others

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual financial results may differ significantly from the forecasts for various reasons. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to "(3) Explanation of Earnings Forecasts and Other Forward-Looking Statements" of "1. Qualitative Information Regarding Financial Results for the Nine Months Ended September 30, 2026" on page 4 of the attached material.

Attached Material

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1. Qualitative Information Regarding Financial Results for the Nine Months Ended September 30, 2026

(1) Explanation of Operating Results

The Company has changed its fiscal year-end from the last day of February to December 31, effective from the previous fiscal year. As quarterly financial statements were not prepared for the cumulative third-quarter period of fiscal 2025, which fell within the transitional period following the change in fiscal year-end, comparisons with the same period of the previous fiscal year are not shown.

During the nine months ended September 30, 2026 (January 1, 2026 to September 30, 2026), the Company continued to make steady progress in the development of its pipeline through internal research initiatives and external collaborations, building on its efforts in the previous fiscal year. In the global Phase 2/3 clinical trial "ORION" (Optimizing Reperfusion to Improve Outcomes and Neurologic Function) of TMS-007 (JX10) initiated by Corxel Pharmaceuticals Hong Kong Limited ("CORXEL") in February 2025, the first patient was dosed (First-Patient-In: FPI) in May 2025, and patient enrollment has since progressed smoothly. In Japan, patient enrollment also began in February 2026. In addition, with regard to TMS-008, which is also at the clinical development stage, the Company proceeded in preparations to initiate the Phase 2a clinical trial with patients and submitted a clinical trial notification to the regulatory authorities on September 30, 2026.

(i) TMS-007 (JX10)-related activities

TMS-007 (JX10), targeting acute ischemic stroke, was developed by the Company up to the Phase 2a clinical trial. Currently, the global Phase 2/3 clinical trial "ORION" is being led by CORXEL. The Company retains the exclusive rights to develop and commercialize TMS-007 in Japan, along with the rights to receive upfront milestone payments and royalties associated with the development and commercialization of TMS-007 in all regions outside Japan.

TMS-007 (JX10) has two mechanisms of action: blood flow restoration through thrombolysis via conformational changes in plasminogen, and suppression of ischemia-reperfusion injury through inhibition of soluble epoxide hydrolase (sEH), which mediates anti-inflammatory effects. This dual mechanism makes TMS-007 a promising drug candidate capable of addressing both therapeutic strategies of blood flow restoration and ischemia-reperfusion injury suppression as a single-agent therapy. As a result, it may offer advantages over existing drugs.

In the Phase 2a clinical trial conducted by the Company in Japan, TMS-007 (JX10) demonstrated favorable results. Thrombolytic agents currently approved for the treatment of acute ischemic stroke are known to carry a risk of adverse effects such as promoting intracranial hemorrhage. Because of the hemorrhagic risk, the use of t-PA is, in principle, limited to within 4.5 hours of symptom onset. The Company's Phase 2a clinical trial of TMS-007 (JX10) enrolled patients up to 12 hours after onset (with a mean of 9.5 hours in the TMS-007 group). The results showed that the incidence of symptomatic intracranial hemorrhage accompanied by a worsening of 4 or more points on the National Institutes of Health Stroke Scale (NIHSS) was 0% (0/52) in the TMS-007 (JX10) group compared with 2.6% (1/38) in the placebo group, suggesting a favorable safety profile. In terms of efficacy, TMS-007 also showed a statistically significant difference from the placebo group in the rate of patients achieving a score of 0 (no symptoms) or 1 (symptoms present but no significant disability) on the modified Rankin Scale (mRS), a measure of functional independence.

During the nine months ended September 30, 2026, patient enrollment in the global Phase 2/3 clinical trial "ORION," led by CORXEL, progressed smoothly. The Company is participating in the trial as the sponsor in Japan, and the first patient was dosed in Japan in February 2026.

(ii) TMS-008-related activities

TMS-008 is one of the SMTP family compounds that has anti-inflammatory properties by inhibiting sEH with little pro-thrombolytic activity and is being developed for acute kidney injury (AKI) and cancer cachexia. TMS-008 has the potential to treat a wide range of inflammatory diseases.

The exclusive worldwide rights for development, manufacturing, and commercialization have been granted by CORXEL for certain TMS-008 indications.

During the nine months ended September 30, 2026, the Company formulated the clinical trial design and proceeded to establish the framework to conduct a Phase 2a clinical trial targeting cardiac surgery-associated acute kidney injury (CSA-AKI). CSA-AKI is a disease involving ischemia-reperfusion injury and subsequent inflammation, and no approved pharmacological treatments are currently available. Following two preliminary consultations and a formal consultation with the PMDA concerning the clinical trial plan, the Company submitted a clinical trial notification on September 30, 2026. Subsequently, on October 14, 2026, after the end of the nine months ended September 30, 2026, the review of the clinical trial notification was completed and clinical trial site initiation is currently underway in preparation for dosing the first patient (First-Patient-In: FPI).

(iii) JX09-related activities

JX09 is being developed by CORXEL as an oral, small-molecule aldosterone synthesis inhibitor for the treatment of patients with treatment-resistant or uncontrolled hypertension, and the Phase 1 clinical trial conducted in Australia has been completed.

No significant safety or tolerability concerns were identified in the clinical trial. CORXEL has placed the further development of JX09 on hold for strategic reasons.

(iv) TMS-010-related activities

TMS-010 is a drug candidate targeting spinal cord injury, originally discovered by Hokkaido University. After entering into an option agreement in July 2022 to evaluate the asset, the Company concluded a license agreement with the university on July 3, 2024, and added the candidate to its pipeline as TMS-010. Under this license agreement, the Company has obtained exclusive worldwide rights for the development, manufacturing, and commercialization of TMS-010.

Spinal cord injury is a serious disease that can lead to motor paralysis, sensory paralysis, and urinary and defecation disorders. Importantly there are no effective drugs available to treat this condition. The candidate therapeutic compound discovered by Hokkaido University is expected to have neuroprotective effects by preventing the breakdown of the blood-brain spinal cord barrier (BBSCB), thereby inhibiting secondary damage to the spinal cord.

During the nine months ended September 30, 2026, the Company advanced pharmacological efficacy studies with a view to clinical use. The Company has also continued to formulate the clinical trial plan.

(v) Pipeline expansion-related activities

During the nine months ended September 30, 2026, the Company made substantial efforts in research and development to expand its pipeline through internal and external initiatives.

In terms of internal initiatives, the Company has continued efforts to discover novel sEH inhibitors by leveraging its accumulated knowledge and experience with sEH inhibition gained through the development of SMTP compounds. The Company employed multiple approaches to identify novel candidate compounds, including the design of inhibitors through the use of AI for compound generation and the screening of natural product libraries. From these activities, the Company identified several promising candidate compounds, proceeded with pharmacological and efficacy evaluations and toxicity testing, and confirmed preliminary safety and efficacy in multiple disease animal models. In January 2026, the Company filed a patent application covering a group of approximately 100 novel compounds obtained through these activities. The Company also considered expanding indications of TMS-008 and advanced joint research with multiple universities, including Kyushu University and Tohoku University to explore additional indications.

Regarding external initiatives, the Company continued to search for and evaluate early-stage programs being developed in academic research institutions and biopharma companies. For the novel stabilized analog of the bioactive lipid resolvin introduced from Hokkaido University in November 2025, the Company continued to consider its potential applicability to multiple target diseases. In addition, on October 29, 2026, after the end of the nine months ended September 30, 2026, the Company signed a term sheet with German biotechnology company TME Pharma A.G. (“TME”) and obtained an exclusive right to negotiate license terms for NOX-A12, a drug candidate for glioblastoma, a type of brain tumor. The proposed arrangement envisages licensing NOX-A12 to a newly established subsidiary of the Company

and advancing its global development using external funding. The execution of the term sheet does not guarantee that a license agreement will be concluded, and subsequent discussions with TME may not result in a definitive agreement.

As a result of these activities, operating expenses for the nine months ended September 30, 2026 totaled ¥590,386 thousand, which included ¥369,385 thousand in research and development expenses, mainly for TMS-007 and TMS-008, and ¥221,000 thousand in other selling, general and administrative expenses.

Based on these results, operating loss was ¥590,386 thousand, ordinary loss was ¥590,799 thousand, and net loss was ¥601,250 thousand.

As the Company operates a single segment of drug development business, operating results by segment are omitted.

(2) Explanation of Financial Position

Assets

Total assets as of the end of the third quarter were ¥2,593,130 thousand, a decrease of ¥272,147 thousand from the end of the previous fiscal year.

This was mainly due to a decrease of ¥254,065 thousand in cash and deposits resulting from payments for operating and other expenses such as research and development expenses, and a decrease of ¥17,682 thousand in advance payments to suppliers associated with progress in research and development projects.

Liabilities

Total liabilities as of the end of the third quarter were ¥101,267 thousand, an increase of ¥7,121 thousand from the end of the previous fiscal year.

This was mainly due to an increase of ¥12,183 thousand in provision for bonuses, despite a decrease of ¥7,175 thousand in accounts payable - other related to payments for research and development expenses and other items to subcontractors.

Net assets

Net assets as of the end of the third quarter were ¥2,491,862 thousand, a decrease of ¥279,268 thousand from the end of the previous fiscal year.

This was mainly due to the recording of ¥601,250 thousand in net loss, despite an increase of ¥154,139 thousand each in share capital and legal capital surplus, resulting from the exercise of share acquisition rights.

(3) Explanation of Earnings Forecasts and Other Forward-Looking Statements

The Company’s policy for future outlook is to postpone the disclosure of its earnings forecasts for the time being. It is difficult to carry out earnings forecasts right now, since the Company is presently at a stage of implementing upfront investment to advance research and development without having products brought to market, and its financial results are influenced significantly by milestone revenue and other external events. Once the Company is in the position of being able to forecast stable revenue from royalty and other recurrent revenue, it will disclose its earnings forecasts.

In the fiscal year ending December 31, 2026, the Company will work to advance the development of each pipeline by promoting two clinical trials: the ORION clinical trial of TMS-007 (JX10) in Japan and the planned next-phase clinical trial of TMS-008. In addition, it will work to expand its pipeline by 1) conducting research activities for novel sEH inhibitors, leveraging its drug discovery expertise, and 2) searching for early-stage programs from academia, research institutions, and biopharma companies.

In light of this, operating expenses for the fiscal year ending December 31, 2026 are expected to be as follows.

- Research and development expenses are expected to be in the range of ¥600 million to ¥900 million.
- Other selling, general and administrative expenses are expected to be in the range of ¥300 million to ¥400 million.

2. Quarterly Financial Statements and Significant Notes Thereto

(1) Quarterly Balance Sheet

(Thousands of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	2,781,032	2,526,967
Supplies	123	225
Advance payments to suppliers	29,265	11,583
Prepaid expenses	18,742	30,063
Consumption taxes refund receivable	34,367	22,094
Other	–	450
Total current assets	2,863,532	2,591,384
Non-current assets		
Property, plant and equipment	0	0
Investments and other assets	1,745	1,745
Total non-current assets	1,745	1,745
Total assets	2,865,277	2,593,130
Liabilities		
Current liabilities		
Accounts payable - other	16,351	9,175
Accrued expenses	69,001	69,723
Income taxes payable	5,020	6,564
Provision for bonuses	–	12,183
Other	3,774	3,621
Total current liabilities	94,146	101,267
Total liabilities	94,146	101,267
Net assets		
Shareholders' equity		
Share capital	1,137,611	1,291,751
Capital surplus	2,313,754	2,467,894
Retained earnings	(716,058)	(1,317,309)
Treasury shares	(2)	(2)
Total shareholders' equity	2,735,304	2,442,334
Share acquisition rights	35,826	49,528
Total net assets	2,771,131	2,491,862
Total liabilities and net assets	2,865,277	2,593,130

(2) Quarterly Statement of Income

(Thousands of yen)

	Nine months ended September 30, 2026
Operating revenue	–
Operating expenses	
Research and development expenses	369,385
Other selling, general and administrative expenses	221,000
Total operating expenses	590,386
Operating loss	(590,386)
Non-operating income	
Interest on tax refund	17
Miscellaneous income	9
Foreign exchange gains	323
Other	0
Total non-operating income	350
Non-operating expenses	
Share issuance costs	763
Total non-operating expenses	763
Ordinary loss	(590,799)
Extraordinary losses	
Impairment losses	9,737
Total extraordinary losses	9,737
Loss before income taxes	(600,537)
Income taxes	712
Net loss	(601,250)

(3) Notes to Quarterly Financial Statements

Notes on Premise of Going Concern

Not applicable.

Notes When There Are Significant Changes in Amounts of Shareholders' Equity

During the nine months ended September 30, 2026, share capital and legal capital surplus each increased by ¥154,139 thousand due to the exercise of share acquisition rights, and as of the end of the third quarter, share capital amounted to ¥1,291,751 thousand and capital surplus amounted to ¥2,467,894 thousand.

Adoption of Accounting Treatment Specific to the Preparation of Quarterly Financial Statements

Calculation of tax expenses

The Company calculates tax expenses by rationally estimating the effective tax rate after applying the tax effect on income before income taxes for the fiscal year including the nine months ended September 30, 2026, and multiplying income before income taxes by the estimated effective tax rate. However, in cases where the calculation of tax expenses using the estimated effective tax rate yields a result that is considered not to be reasonable to a significant extent, the effective statutory tax rate is used.

Notes on Quarterly Statement of Cash Flows

The Company has not prepared quarterly statement of cash flows for the nine months ended September 30, 2026. The amount of depreciation for the nine months ended September 30, 2026 is as follows:

(Thousands of yen)

	Nine months ended September 30, 2026
Depreciation	889

Notes on Segment Information

[Segment information]

Nine months ended September 30, 2026

Segment information is omitted as the Company operates a single segment of drug development business.